

**Young Men's Christian Association of Brandon**  
**Financial Statements**  
*August 31, 2025*

## Management's Responsibility

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To the Board of Young Men's Christian Association of Brandon:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Association. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Association's external auditors.

MNP LLP is appointed by the Board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

November 25, 2025

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Chief Executive Officer

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To the Board of Young Men's Christian Association of Brandon:

### Opinion

We have audited the financial statements of Young Men's Christian Association of Brandon (the "Association"), which comprise the statement of financial position as at August 31, 2025, and the statements of operations, changes in net assets and cash flows for the **year** then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at August 31, 2025, and the results of its operations and its cash flows for the **year** then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## Independent Auditor's Report - continued

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As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Brandon, Manitoba  
November 25, 2025

*MNP LLP*

Chartered Professional Accountants

# Young Men's Christian Association of Brandon

## Statement of Financial Position

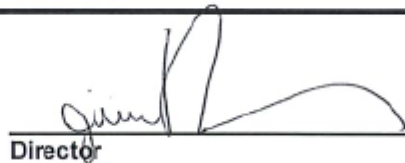
*As at August 31, 2025*

|   | 2025       | 2024       |
|---|------------|------------|
| <b>Assets</b>   |            |            |
| <b>Current</b>  |            |            |
| Cash  | 1,308,336  | 1,497,187  |
| Accounts receivable (Note 4)                                      | 158,440    | 312,256    |
| Marketable securities (Note 5)                                    | 1,128,561  | 1,034,579  |
| Prepaid expenses and deposits                                     | 2,921      | 2,921      |
|   | 2,598,258  | 2,846,943  |
| <b>Capital assets (Note 6)</b>                                    | 20,182,802 | 20,379,069 |
| <b>Intangible assets</b>  | 24,446     | 30,557     |
| <b>Investments (Note 7)</b>                                       | 1,680,032  | 1,383,979  |
|   | 24,485,538 | 24,640,548 |
| <b>Liabilities</b>  |            |            |
| <b>Current</b>  |            |            |
| Accounts payable and accruals (Note 8)                            | 356,346    | 488,315    |
| Deferred revenue  | 370,614    | 703,703    |
| Current portion of long-term debt                                 | 1,432,000  | 1,748,181  |
|   | 2,158,960  | 2,940,199  |
| <b>Long-term debt (Note 10)</b>                                   | 2,079,292  | 2,080,082  |
| <b>Deferred contributions related to capital assets (Note 11)</b> | 13,021,531 | 13,288,717 |
|   | 17,259,783 | 18,308,998 |
| <b>Commitments (Note 13)</b>                                      |            |            |
| <b>Net Assets</b>   | 7,225,755  | 6,331,550  |
|   | 24,485,538 | 24,640,548 |

Approved on behalf of the Board



Director



Director

The accompanying notes are an integral part of these financial statements

# Young Men's Christian Association of Brandon

## Statement of Operations

*For the year ended August 31, 2025*

|  | 2025              | 2024              |
|--|-------------------|-------------------|
| <b>Revenue</b>                         |                   |                   |
| Parent fees                            | 3,974,285         | 3,656,156         |
| Grants                                 |                   |                   |
| Province of Manitoba                   | 3,930,871         | 3,492,798         |
| United Way                             | -                 | 17,500            |
| Memberships                            | 2,601,539         | 2,304,137         |
| Amortization of deferred contributions | 765,109           | 783,700           |
| Interest income                        | 375,255           | 338,139           |
| Program fees                           | 292,887           | 279,209           |
| Fundraising and contributions          | 265,987           | 177,582           |
| Administration fees                    | 38,195            | 38,538            |
| Miscellaneous                          | 66,353            | 36,473            |
| Rental                                 | 18,441            | 13,388            |
| <b>Total revenue</b>                   | <b>12,328,922</b> | <b>11,137,620</b> |
| <b>Expenses</b>                        |                   |                   |
| Amortization                           | 1,116,387         | 1,135,691         |
| Bank interest and charges              | 122,394           | 106,531           |
| Building maintenance                   | 168,924           | 220,999           |
| Contract services                      | 14,874            | 31,355            |
| Equipment                              | 176,819           | 124,308           |
| Fundraising                            | 17,692            | 25,957            |
| Insurance                              | 101,683           | 87,529            |
| Interest on long-term debt             | 131,408           | 115,767           |
| Miscellaneous                          | 69,955            | 40,971            |
| Printing and promotion                 | 3,440             | 3,677             |
| Program supplies                       | 367,939           | 357,023           |
| Property tax                           | 8,000             | 7,119             |
| Rent                                   | 284,505           | 238,878           |
| Salaries and benefits                  | 8,164,553         | 6,988,356         |
| Supplies                               | 182,782           | 152,987           |
| Telephone and postage                  | 16,051            | 21,406            |
| Training                               | 10,888            | 65,362            |
| Transportation                         | 7,894             | 8,249             |
| Travel                                 | 20,032            | 21,923            |
| Utilities                              | 260,477           | 238,265           |
| YMCA affiliation dues                  | 188,020           | 165,091           |
| <b>Total expenses</b>                  | <b>11,434,717</b> | <b>10,157,444</b> |
| <b>Excess of revenue over expenses</b> | <b>894,205</b>    | <b>980,176</b>    |

*The accompanying notes are an integral part of these financial statements*

# Young Men's Christian Association of Brandon

## Statement of Changes in Net Assets

*For the year ended August 31, 2025*

|                                 | <b>2025</b>      | <b>2024</b> |
|---------------------------------|------------------|-------------|
| Net assets, beginning of year   | <b>6,331,550</b> | 5,351,374   |
| Excess of revenue over expenses | <b>894,205</b>   | 980,176     |
| Net assets, end of year         | <b>7,225,755</b> | 6,331,550   |

*The accompanying notes are an integral part of these financial statements*

# Young Men's Christian Association of Brandon

## Statement of Cash Flows

*For the year ended August 31, 2025*

|   | 2025        | 2024        |
|---|-------------|-------------|
| <b>Cash provided by (used for) the following activities</b> |             |             |
| <b>Operating</b>  |             |             |
| Excess of revenue over expenses                             | 894,205     | 980,176     |
| Amortization of capital and intangible capital assets       | 1,116,387   | 1,135,691   |
| Amortization of deferred contributions                      | (765,109)   | (783,700)   |
| Loss (gain) on investments                                  | (296,053)   | (374,420)   |
|   | 949,430     | 957,747     |
| Changes in working capital accounts                         |             |             |
| Accounts receivable   | 153,816     | 39,657      |
| Prepaid expenses and deposits                               | -           | 67,122      |
| Accounts payable and accruals                               | (131,969)   | (357,413)   |
| Deferred revenue  | (333,089)   | 218,037     |
|   | 638,188     | 925,150     |
| <b>Financing</b>  |             |             |
| Repayment of long-term debt                                 | (316,971)   | (76,348)    |
| Cash contributions received for capital assets              | 497,923     | 1,233,344   |
|   | 180,952     | 1,156,996   |
| <b>Investing</b>  |             |             |
| Purchase of marketable securities                           | (325,000)   | (634,579)   |
| Proceeds on disposal of marketable securities               | 231,018     | 400,000     |
| Purchase of capital assets                                  | (914,009)   | (936,468)   |
| Purchase of intangible assets                               | -           | (14,376)    |
|   | (1,007,991) | (1,185,423) |
| <b>Increase (decrease) in cash resources</b>                | (188,851)   | 896,723     |
| <b>Cash resources, beginning of year</b>                    | 1,497,187   | 600,464     |
| <b>Cash resources, end of year</b>                          | 1,308,336   | 1,497,187   |
| <b>Supplementary cash flow information</b>                  |             |             |
| Cash paid for interest                                      | 115,767     | 146,143     |

*The accompanying notes are an integral part of these financial statements*

# Young Men's Christian Association of Brandon

## Notes to the Financial Statements

For the year ended August 31, 2025

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### 1. Incorporation and nature of the organization

Young Men's Christian Association of Brandon (the "Association") is a charitable association serving Brandon and the surrounding geographical area. It was established in 1886, dedicated to providing quality programs and services for all individuals in the development of the spirit, mind, and body.

The Association is incorporated as a not-for-profit organization and is a registered charity under the Income Tax Act.

### 2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

#### **Cash and cash equivalents**

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

#### **Capital assets**

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

|                        | <b>Rate</b> |
|------------------------|-------------|
| Buildings              | 5 %         |
| Computer equipment     | 30 %        |
| Equipment              | 20 %        |
| Leasehold improvements | 5 %         |
| Park                   | 5 %         |

#### **Intangible asset**

Specified intangible assets are recognized and reported apart from goodwill.

An intangible asset recognized separately from goodwill and subject to amortization is recorded at cost. Contributed intangible assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the declining balance method at a rate intended to amortize the cost of the intangible asset over its estimated useful life.

|                               | <b>Rate</b> |
|-------------------------------|-------------|
| Software licensing agreements | 30%         |

When an intangible asset no longer contributes to the Association's ability to provide goods or services, or the value of future economic benefits or service potential associated with the intangible asset is less than its net carrying amount, its carrying amount is written down to fair value.

#### **Deferred contributions related to capital assets**

Deferred contributions related to capital assets represent the unamortized portion of contributed capital assets and restricted contributions that were used to purchase capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.

#### **Revenue recognition**

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Memberships are recorded as deferred revenue upon receipt and recognized as revenue over the term of the membership. Program and parent fees are deferred upon receipt and recognized as revenue as the services are provided.

# Young Men's Christian Association of Brandon

## Notes to the Financial Statements

*For the year ended August 31, 2025*

### 2. Significant accounting policies *(Continued from previous page)*

#### **Revenue recognition** *(Continued from previous page)*

Government grants and subsidies are recognized as revenue when there is reasonable assurance that the grants will be received and that the conditions of the funds have been met.

Miscellaneous, rentals, administration fees and investment income are recognized as revenue when earned. Investment income consists of interest and loss or gain on investments.

The Association recognizes government assistance when there is reasonable assurance that the funds will be received and that the conditions of the funding will be met. The Association recognizes government assistance in the statement of operations as revenue in the same period as the expenses for which the grant is intended to compensate.

#### **Contributed materials**

Contributions of materials are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials are used in the normal course of the Association's operations and would otherwise have been purchased. No contributed materials were noted in the year.

#### **Financial instruments**

The Association recognizes financial instruments when the Association becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

At initial recognition, the Association may irrevocably elect to subsequently measure any arm's-length financial instrument at fair value. The Association has not made such an election during the year.

The Association subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by reference to quoted market prices. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. As of August 31, 2025, investments are quoted in active markets.

All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in statement of operations. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

The carrying values of financial assets measured at amortized cost or fair value, and of investments in equity instruments measured at cost less impairment are as follows:

|   | <b>2025</b>      | <b>2024</b>  |
|---|------------------|--------------|
|   | <b>CAD\$</b>     | <b>CAD\$</b> |
| <b>Financial assets measured at fair value:</b>             |                  |              |
| Investments   | <b>1,128,561</b> | 1,383,979    |
| <b>Financial assets measured at amortized cost:</b>         |                  |              |
| Cash  | <b>1,308,336</b> | 1,497,187    |
| Accounts receivable   | <b>194,929</b>   | 338,979      |
| <b>Equity instruments measured at cost less impairment:</b> |                  |              |
| Marketable securities                                       | <b>1,132,900</b> | 1,000,000    |

# Young Men's Christian Association of Brandon

## Notes to the Financial Statements

For the year ended August 31, 2025

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### 2. Significant accounting policies (Continued from previous page)

#### **Financial instruments** (Continued from previous page)

##### **Financial asset impairment**

The Association assesses impairment of all its financial assets measured at cost or amortized cost. The Association groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers whether the issuer is having significant financial difficulty in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Association determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Association reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in the current year statement of operations.

The Association reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the statement of operations in the year the reversal occurs.

##### **Measurement uncertainty (use of estimates)**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory as well as warranty and after sales service costs. Amortization of capital assets, intangible assets, and deferred contributions are based on the estimated useful lives of capital assets.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenue over expenses in the years in which they become known.

##### **Derivative financial instruments**

Derivative financial instruments are financial contracts whose value changes in response to a change in an underlying variable, such as specified interest rate, financial instrument or commodity price, or foreign exchange rate. The Association enters into derivative contracts to manage its exposure to interest rate risks associated with loans. Derivative financial instruments may be designated as hedges, provided that certain criteria are met. As at August 31, 2025, the Association has no derivative financial instruments which have been designated as hedges (2024 - nil).

##### **Foreign currency translation**

These financial statements have been presented in Canadian dollars, the principal currency of the Association's operations.

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and monetary liabilities reflect the exchange rates at the statement of financial position date. Gains and losses on translation or settlement are included in the determination of excess of revenue over expenses for the current period.

### 3. Bank indebtedness

The Association has an operating credit facility with the Royal Bank of Canada of up to \$500,000, none of which was drawn.

# Young Men's Christian Association of Brandon

## Notes to the Financial Statements

*For the year ended August 31, 2025*

### 4. Accounts receivable

|                        | 2025           | 2024           |
|------------------------|----------------|----------------|
| Program fees           | 25,428         | 26,429         |
| Goods and Services Tax | (36,489)       | (26,723)       |
| Government grants      | 156,152        | 298,429        |
| Fee subsidy            | 13,349         | 14,121         |
|                        | <b>158,440</b> | <b>312,256</b> |

### 5. Marketable securities

Marketable securities consist of non redeemable GIC's issued by Royal Bank of Canada, maturing between August 2026 - August 2030, bearing interest between 3.5% - 4.80% per annum paid upon maturity.

|                              | 2025      | 2024      |
|------------------------------|-----------|-----------|
| Marketable securities - Cost | 1,128,561 | 1,034,579 |

### 6. Capital assets

|                           | Cost              | Accumulated<br>amortization | 2025<br>Net book<br>value | 2024<br>Net book<br>value |
|---------------------------|-------------------|-----------------------------|---------------------------|---------------------------|
| Land                      | 665,452           | -                           | 665,452                   | 665,452                   |
| Buildings                 | 18,562,352        | 9,231,316                   | 9,331,036                 | 10,232,460                |
| Computer equipment        | 350,891           | 259,991                     | 90,900                    | 85,858                    |
| Equipment                 | 2,365,764         | 1,686,097                   | 679,667                   | 632,688                   |
| Leasehold improvements    | 1,557,319         | 690,528                     | 866,791                   | 710,729                   |
| Park                      | 341,051           | 96,941                      | 244,110                   | 255,874                   |
| Assets under construction | 8,304,846         | -                           | 8,304,846                 | 7,796,008                 |
|                           | <b>32,147,675</b> | <b>11,964,873</b>           | <b>20,182,802</b>         | <b>20,379,069</b>         |

### 7. Investments

|                             | 2025      | 2024      |
|-----------------------------|-----------|-----------|
| Measured at fair value:     |           |           |
| RBC capital fund investment | 1,680,032 | 1,383,979 |

# Young Men's Christian Association of Brandon

## Notes to the Financial Statements

*For the year ended August 31, 2025*

### 8. Accounts payable and accruals

Included in accounts payable is \$139,586 (2024 - \$127,486) of government remittances payable.

### 9. Term loan due on demand

Term loan due on demand consists of non-interest bearing forgivable advances from Manitoba Housing and Renewal Corporation ("MHRC") with no required principal repayment and with the first advance received in 2023 in the amount of \$374,497. The finance agreement lays out terms for future forgiveness subsequent to completion of construction of the facility at 231 8th St, Brandon, MB. This amount was forgiven in 2024 and is being deferred over the useful life of the facility.

### 10. Long-term debt

|  | 2025      | 2024      |
|--|-----------|-----------|
| Mortgage payable to Sunrise Credit Union Limited bearing interest at 2.99% with monthly payments of \$13,230 including interest, secured by building at 231 - 8th Street Brandon having a net book value of \$10,071,258, due in full April 1, 2032.                     | 2,079,292 | 2,174,263 |
| Royal Bank revolving term loan, advanced by way of Bankers' Acceptances with 90 day maturities, with a variable interest rate at prime plus 0.50%, plus an annual acceptance fee of 1.90%, secured by the building with a net book value of \$10,071,258, maturing 2029. | 1,432,000 | 1,654,000 |
|  | 3,511,292 | 3,828,263 |
| Less: Current portion  | 1,432,000 | 1,748,181 |
|  | 2,079,292 | 2,080,082 |

Principal repayments on long-term debt in each of the next five years are estimated as follows:

|                   | <i>Principal</i> |
|-------------------|------------------|
| 2026              | 252,075          |
| 2027              | 262,057          |
| 2028              | 272,132          |
| 2029              | 282,300          |
| 2030              | 292,566          |
| <b>Total</b>      | 1,361,130        |
| <b>Thereafter</b> | 2,150,162        |

Monthly interest only payments made in the year amounted to \$ NIL (2024 - \$52,708).

The Association has entered into an interest rate swap agreement to fix the rate of interest on a portion of its term debt. As at August 31, 2025, the notional amount under the agreement was \$1,507,000 (2024 - \$1,645,000) fixed at a rate of 3.08% (2024 - 3.08%). The notional amount is reduced over the term of the arrangement pro-rata with principal repayments on the related debt. The agreement matures January 31, 2029. The estimated fair value of the resulting derivative financial instrument as at August 31, 2025 is (\$66,300) (2027 - \$12,000).

# Young Men's Christian Association of Brandon

## Notes to the Financial Statements

*For the year ended August 31, 2025*

### 11. Deferred contributions related to capital assets

Deferred capital contributions consist of the unamortized amount of contributions received for the purchase of capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized. Changes in deferred capital contributions are as follows:

|   | 2025       | 2024       |
|---|------------|------------|
| Balance, beginning of year                          | 13,288,717 | 12,464,576 |
| Amount received during the year                     | 497,923    | 1,607,841  |
| Less: Amounts recognized as revenue during the year | (765,109)  | (783,700)  |
| Balance, end of year                                | 13,021,531 | 13,288,717 |

### 12. Financial instruments

The Association, as part of its operations, carries a number of financial instruments. It is management's opinion that the Association is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

#### **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Association enters into investment and accounts payable transactions denominated in U.S. currency for which the related revenues, expenses, capital gains and losses, and equity balances are subject to exchange rate fluctuations. As at August 31, 2025, the following items are denominated in U.S. currency:

|  | 2025<br>CAD\$ | 2024<br>CAD\$ |
|--|---------------|---------------|
| Cash \$25,111 USD (2024 - \$14,420)          | 34,327        | 20,772        |
| Investments \$210,034 USD (2023 - \$185,236) | 288,628       | 249,902       |

#### **Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Association is exposed to interest rate cash flow risk with respect to investments and term debt held. The Association has mitigated a portion of this risk through an interest rate swap agreement.

#### **Liquidity risk**

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities including the repayment of debt. A range of alternatives is available to the Association including cash flow provided by operations, additional debt, or a combination thereof. The Association expects to be able to meet its financial obligations and debt repayment requirements in the foreseeable future.

# Young Men's Christian Association of Brandon

## Notes to the Financial Statements

*For the year ended August 31, 2025*

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### 12. Financial instruments *(Continued from previous page)*

#### ***Other price risk***

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Association's investments in publicly-traded securities and corporate bonds exposes the Association to price risk as these investments are subject to price changes in an open market due to a variety of reasons including changes in market rates of interest, general economic indicators and restrictions on credit markets.

### 13. Commitments

The Association has committed to managing a new 68-space facility located in the Park Community Centre within the City of Brandon. The yet-to-be built facility will be owned by the City with the Association committing to provide care and operation of the child-care centre.

The Association has also signed a Memo of Understanding with Prairie Mountain Health, committing to operating and managing a new 148-space child-care centre located in the Brandon Regional Health Centre. This facility is expected to open in late 2026.